



## **COMMISSION MEETING MINUTES**

**May 24, 2004**

The Commissioners of the Texas Alcoholic Beverage Commission met in Regular Session on Monday, May 24, 2004, at the Texas Alcoholic Beverage Commission, 5806 Mesa Drive, Suite 185, Austin, Texas.

***PRESIDING:*** John T. Steen, Jr., Chairman

***PRESENT:*** Gail Madden, Commissioner

***STAFF PRESENT:*** Alan Steen, Administrator

Carolyn Beck, Public Information Officer,  
Executive

Lou Bright, General Counsel

Sherri Diaz, Administrative Assistant,  
Marketing

Practices

Loretta Doty, Director, Human Resources

Jeannene Fox, Assistant Administrator

Buck Fuller, Director, Compliance Division

Amy Harrison, Director, Licensing Division

Linda Hubbard, Administrative Assistant,  
Executive

Dexter Jones, Acting Director, Marketing  
Practices

Charlie Kerr, Director, Business Services

Garry Sitz, Director, Information Resources

James "Sam" Smelser, Chief of Enforcement  
Gloria Villaseñor, Administrative Assistant,  
Enforcement/Grants

***GUESTS PRESENT:*** Rick Donley, President, Beer Alliance of Texas  
Doug Dubois, Jr., Director of Membership and  
Education, Texas Petroleum Marketers and  
Convenience Store Association  
Alan Gray, Licensed Beverage Distributors, Inc.  
Stacy Gunkel, Policy Analyst, Office of the  
Lieutenant Governor  
Jay Howard, Representing DISCUS, Inc.  
Fred Marosko, Texas Package Stores  
Association  
Mike McElhaney, Governor's Advisor, Office of  
the Governor  
Lindsay Meche, Republic Beverage Company  
Valerie Onyett, Analyst, Legislative Budget  
Board  
Alfonso Royal, III, Analyst, Legislative Budget  
Board  
Chris Seman, Intern, Texas Safety Network  
Daniel Sitz, Liberty Hill, Texas  
Robert Sparks, Executive Director, Licensed  
Beverage Distributors, Inc.  
Tom Spilman, Vice President, Wholesale Beer  
Distributors of Texas  
Randy Yarbrough, Wholesale Beer Distributors  
of Texas

**CALL TO ORDER**

Chairman John T. Steen, Jr., called the meeting of the Texas Alcoholic  
Beverage Commission (TABC) to order at 1:30 p.m.

**APPROVAL OF APRIL 26, 2004, COMMISSION MEETING MINUTES**

Chairman Steen called for a motion to approve the TABC Commission meeting minutes. **Commissioner Madden moved that the Commissioners approve the minutes of the April 26, 2004, meeting. Chairman Steen seconded the motion. The motion carried.**

### **ADMINISTRATOR'S REPORT**

Chairman Steen called upon Administrator Alan Steen to provide the Administrator's Report.

Administrator Steen discussed the numerous activities that have occurred since the previous Commission meeting:

- Sunset Process. Mr. Steen stated that Sunset staff have met with division heads at Headquarters and will begin field visits in the near future.
- Audits. Mr. Steen discussed two outside audits: An audit by the State Auditor's Office on TABC's usage of HUB (Historically Underutilized Businesses) vendors and a post payment audit by the Texas Building and Procurement Commission on TABC's purchases and payments.
- Technology Transformation. Staff have begun the discovery phase with VERSA on TABC's new licensing system. Mr. Steen stated that everything was on target and on budget with the system.
- Training. Mr. Steen reported that General Counsel Lou Bright continues to provide training on ethics around the state. All ethics training sessions will be finished by the end of July. Regarding the contracted training on sexual harassment, ten classes have been conducted around the state, with six sessions remaining. Approximately 75% of staff have received the sexual harassment training thus far. Mr. Steen also reported that Debbie Dixon began TABC's annual statewide seller server training session last week in Lubbock.
- Remodeling. Mr. Steen announced that the supplies operations have been relocated from Headquarters to the Warehouse. Headquarters incorporated a "spring cleaning" along with the Health and Safety

Committee's annual Spring Fling activities. Staff cleaned out their office areas and files in order to make room for office changes.

**Chairman Steen asked Lou Bright for a copy of his presentation materials for the ethics training and a copy of the presentation for the sexual harassment training; Messrs. Steen and Bright stated that this information would be provided to the Commissioners.**

### **APPROVAL TO ACCEPT TABC STRATEGIC PLAN FOR 2005-2009**

Administrator Steen explained that every two years, the agency is required to present a strategic plan to the legislative leadership. He referred to the executive summary (Attachment 1), explaining that the agency is now using a different process in order that all staff and interested parties could provide input in developing the plan. He cited the various strategic planning meetings that were held in this "bottom-up" process. Commissioner Madden thanked staff for developing a succinct and meaningful summary.

Nine strategic goals were identified (with Administrator Steen noting that these were not in any priority order):

- 1) To ensure that efficiencies and streamlining are identified and implemented where possible as the agency moves through its licensing technology transformation, while pursuing legislative change to eliminate impediments.
- 2) To focus enforcement programs on identifying retailers who sell to intoxicated persons and minors.
- 3) To continue to encourage retailers to avail themselves of the benefits of seller training.
- 4) To continue to focus educational efforts of the agency to the members of the alcoholic beverage industry and on programs to school-aged children and college-aged adults, which will have the most immediate effect.
- 5) To learn and stay current in the methods of operation among the upper tiers of the industry.

- 6) To reinvigorate the agency's efforts in partnering with coalitions, groups, and industry members to raise awareness in issues involving the sale of alcoholic beverages to minors and intoxicated persons.
- 7) To address the on-going issue of training new staff as well as current employees while faced with the loss of vast amounts of institutional knowledge.
- 8) To continue expanding the agency's effort in effective communication, both internally and externally, using all available means.
- 9) To ensure through available avenues that agency employees receive fair pay based on responsibilities.

Chairman Steen mentioned that both he and Commissioner Madden had met with Administrator Steen and Assistant Administrator Fox on the draft plan. Ms. Fox added that the plan is "flexible" and is an ever-changing document. Administrator Steen asked for the Commissioner's approval of the draft strategic plan for 2005-2009.

**Commissioner Madden moved that the TABC Commissioners approve the TABC Strategic Plan for 2005-2009. Chairman Steen seconded the motion. The motion carried.**

**Chairman Steen requested that the nine goals be prioritized along with adding a specific action plan for accomplishing each goal. He stated that this would be helpful in monitoring progress towards the goals, and he suggested that they be reviewed in a year. Administrator Steen agreed that the goals will be prioritized and action plans added to each.**

### **FISCAL STEWARDSHIP OF AGENCY REPORT**

Chairman Steen called upon Charlie Kerr, Director of Business Services, to provide the agency report on fiscal stewardship. Mr. Kerr referred to the report (Attachment 2) regarding performance measures for the second quarter. Chairman Steen asked if there were any concerns about the performance measures; Mr. Kerr responded that there were no concerns and that the measures should all be on target by the end of the fiscal year.

## **CAPITAL BUDGET RIDER**

Chairman Steen introduced the agenda item on exceeding the capital budget rider, stating that it was changed from an action item to an information item. Administrator Steen clarified that after the agenda was posted, it was ascertained that TABC had the authority to exceed the capital budget by 25%.

Administrator Steen explained the salary lapse that occurred after TABC had been funded for homeland security positions from the last legislative session. Fourteen of the 29 homeland security positions were designated for officer positions. TABC had been authorized the funds in September 2003; however, the officer positions could not be hired until the next new agent selection process occurred (which recently ended). As a result, there is a one-time savings from the salary lapse that can be used to benefit the agency.

Mr. Kerr stated that TABC is in a unique position this year to purchase needed items from the salary savings that TABC could not do in the past because of budget constraints. He explained that in fiscal year 2003, the agency's budget was reduced by 7%, or \$1,875,725, of which \$265,000 was related to construction projects that had been previously approved in the 77<sup>th</sup> Legislative Session. Mr. Kerr explained that the agency plans to use \$160,000 of the salary lapse for construction of new tax booths in Presidio and Rio Grande City. The lapsed funds will also be used to replace various types of obsolete handheld radios for agents needing to communicate with local police departments and sheriff offices, at an estimated cost of \$63,900. Approximately \$298,085 will be used for the Technology Infrastructure Project and the Human Resource/Property Management Software.

## **ACCEPTANCE OF GIFTS VALUED AT OR GREATER THAN \$500**

Chairman Steen called upon Sam Smelser, Chief of Enforcement, to report on the donation by the Hays County Law Enforcement Appreciation Day (L.E.A.D.). Mr. Smelser provided a brief background on L.E.A.D., a non-profit organization that is dedicated to the appreciation of all law enforcement officers that work in Hays County. A donation of \$3,250 was given by L.E.A.D. to the San Marcos TABC office. Mr. Smelser stated

that the San Marcos office would like to be given the authority to accept the donation for the purchase of law enforcement equipment. This money, along with money donated from last year, would be used to purchase undercover video and camera equipment along with other police-related equipment.

**Commissioner Madden moved that the TABC Commissioners accept the 2004 donation by the Hays County Law Enforcement Appreciation Day in the amount of \$3,250 for use in purchasing law enforcement equipment. Chairman Steen seconded the motion. The motion carried.**

### **HIRING/RECRUITMENT UPDATE**

Chairman Steen called upon Loretta Doty to provide the annual hiring/recruitment update.

Ms. Doty reviewed the report (Attachment 3), explaining TABC's efforts to recruit a qualified diverse group of candidates for employment. During 2003, TABC spent a total of \$2,257 on advertisements specifically targeting minorities. At the end of fiscal year 2003, TABC's total number of employees was 495.5. Overall, minorities constituted approximately 43% of the commission's workforce, a slight increase from 42% in 2002.

Ms. Doty compared TABC's 2003 workforce profile with the 2003 statewide civilian workforce, noting that the agency remains under-represented in one or two areas of all seven of the EEO categories. She discussed TABC hires and separations for the 2003 calendar year, noting that 38% of new hires and separations were females; 41% of new hires were minorities; and 34% of separations were minorities.

Ms. Doty stated that the Human Resources Division is assessing its current recruitment and hiring practices to identify ways to more effectively advertise vacancies and receive and screen applications. With the agency's purchase of a new Human Resources Information Management System, TABC will be able to receive applications online. In addition, faxed applications will also be accepted. Both methods should increase the number of applications received for advertised vacancies. Ms. Doty explained that the larger the applicant pool, the more opportunity exists for

diversity. Ms. Doty also briefly discussed efforts to refine the agency's training function in order to better support retention of employees.

Chairman Steen and Commissioner Madden welcomed Ms. Doty to TABC and commended her on her first report to the Commissioners.

### **PUBLIC COMMENT**

Chairman Steen stated that no one had signed up to provide public comment. He asked if there was anyone in the audience who wished to make a statement at this time. No one expressed the desire to provide public comment.

### **NEXT MEETING**

Chairman Steen announced that the next TABC meeting was scheduled for Monday, June 28, 2004.

### **ADJOURNMENT**

**Ms. Madden moved that the Texas Alcoholic Beverage Commission meeting be adjourned. Chairman Steen seconded the motion. The motion carried, and the meeting adjourned.**